

The background of the cover is a photograph of a beach at sunset or sunrise. The sky is a gradient of colors from deep blue to orange and yellow. The ocean is dark blue, and white waves are breaking on the shore. The text is overlaid on this background.

**State of California**

# **2000/2001 Marketing Plan**

California Division of Tourism  
(California Tourism)

California Technology, Trade & Commerce Agency  
*Lon S. Hatamiya, Secretary*

**March 1, 2000**

## **FY 2000/2001 Marketing Plan – Appendix A**

*The following plan has been developed by the statewide Tourism Marketing Advisory Committee. It is currently under public review by state destination marketing organizations for comment, and will be presented to the California Travel and Tourism Commission for final approval in late February.*

*The plan comprehensively reflects a joint marketing endeavor of the California Division of Tourism and the California Travel and Tourism Commission. As such, all program elements will be referred to under the “California Tourism” program name.*

### **Mission**

To promote California as a travel destination for the expressed purpose of increasing travel spending within the state, generating additional tax revenues from increased travel spending and sustaining and expanding travel and tourism-related employment within California.

### **Purpose of this Marketing Plan**

The California Tourism marketing plan:

- Motivates residents of other U.S. states to travel to and within California,
- Stimulates travel to and within California by residents of other countries and
- Encourages Californians to travel within California.

In support of these purposes, the plan is divided into five program areas:

- Research
- Collateral and fulfillment
- National marketing
- International marketing
- Media relations

Various marketing tactics are used within each of these program areas to accomplish the plan's major objectives, such as: market research, economic research, program evaluation research, advertising, publicity, promotions, direct marketing, sales missions, trade shows, press trips and trade familiarization tours, collateral, fulfillment and special events. These tactics apply to several of California Tourism's programs.

The California Tourism Policy Act (1984) specifies that the California Tourism Commission (CTC) or its succeeding California Travel and Tourism Commission (CTTC), in cooperation with California Tourism and the Trade and Commerce Agency, adopt and annually update this plan. This was reasserted in the California Tourism Marketing Act (1995/96).

California Tourism's Marketing Plan, to the extent practical and feasible, is intended to:

- Serve as a guide for effectuating the California Tourism Policy Act/California Tourism Marketing Act with available resources,
- Include an assessment of the activities and accomplishments of California Tourism (in annual report),
- Outline the intended program of tourism promotion and visitor service activities for the coming year,
- Delineate the ways, means and programs by which tourism shall be promoted, including any cost-effective marketing methods and techniques to be employed,
- Identify resources reasonably necessary from all sources both public and private, to accomplish these promotion and marketing activities,
- Identify and articulate cooperative or shared cost programs, or opportunities for these ventures, with private entities,
- Identify licensing opportunities, including licensing agents, and
- Contain other information, data or recommendations that may be germane to the marketing efforts of California pursuant to the intent of the California Tourism Policy Act and the California Tourism Marketing Act.

In effectuating these points, various industry advisory committees consisting of qualified professionals and experts in various segments of the tourism industry aid in the preparation of this plan. They include:

- Marketing (advertising, overall marketing program, promotions)
- California Countryside (rural)
- International
- California Connection (NTA)
- Publicity
- Fun Spots (attractions)
- Cultural Tourism
- Research
- Publications
- California Travel Market
- Shop California (retail)
- Dine California (restaurants)

California Tourism develops program proposals then presents them to the CTTC or to one of several industry advisory committees for review, comment and refinement, prior to final approval by the CTTC. This process provides the CTTC with the input of industry experts prior to seeing a finished product. There has been significant

statewide interest by travel industry individuals who would like to serve on various committees. Typically, this interest can be accommodated due to turnover. Interested parties are invited to send requests to serve on any industry advisory committee to California Tourism. The CTTC, to the maximum extent possible, attempts to balance membership of advisory committees with representatives from small to large businesses, from all tourism regions, and from diverse industry segments.

### **California Tourism's Role**

- Serve as the official travel and tourism marketing representatives of the "destination of California."
- Serve as the marketing umbrella for California under which California destinations and businesses can gain increased attention from consumers, the trade and the media. In accomplishing this, California Tourism does not replace the private sector's efforts in marketing individual destinations and businesses within the state, but complements these marketing efforts.
- Manage programs that benefit travel and tourism businesses of all sizes and segments within California.
- Serve as a catalyst in developing strong public/private partnerships to promote tourism to the state, via the execution of marketing programs designed to achieve the mutually beneficial objectives of all participants - public and private.
- Seek appropriate opportunities for cooperative marketing efforts with the private sector in order to gain maximum impact from the program.
- Stimulate California tourism industry involvement in participating in the selling of California and their businesses/destinations at selected domestic and foreign travel trade shows.
- Inform California's travel and tourism industry about opportunities to participate in California Tourism's program and of information of value in advancing travel and tourism.
- Inform the media and travel trade of new developments in California travel and tourism for the purpose of stimulating their interest in California as a destination.
- Inform the traveling public (leisure) of the variety of travel opportunities available within California, and serve to keep California top-of-mind when they are deciding where to travel.
- Measure and assess effectiveness and impact of California Tourism marketing programs. *The state does not have a "main gate" or "ticket counter" at which to measure sales, so other methods, such as visitor characteristic studies, visitor impact studies, pre/post research focus groups and coupon redemption are used to assess effectiveness.*
- Generate private-sector support to assist the State in communicating California's unique offerings and attractions.
- Educate and motivate the travel trade via sales missions, familiarization tours (fam tours), educational seminars and sales calls promoting California in targeted markets.
- Encourage competing businesses and destinations to work together for the greater purpose of attracting visitors to California. *At times, California Tourism's investment on a given program element is minuscule compared to the industry's. On the California Fun Spots promotion, for example, California Tourism provides \$180,000 in funding and participating California attractions raise many times that*

*amount. These attractions are competitors and it is highly unlikely that they would cooperate with one another, were it not for the fact that they want to take advantage of the leadership, vision, equity and financial contribution of the State. Similarly, the \$25,000 per rural region provided as seed money for regional marketing, has stimulated additional investment by communities and businesses throughout these regions. Without California Tourism's involvement, the regions would quickly split into competing marketing groups, resulting in confusing messages to travelers and lowering visitation to the individual regions and California overall.*

- *Utilize research to segment marketing activities by demography, sociography, geography and travel interests in order to maximize effectiveness. California Tourism utilizes market research to determine where likely visitors live, who they are and what will motivate them to visit. In the past few years, California Tourism has been successful in communicating to a select number of consumer "travel typologies" (family travel, romantic getaways, recreation and sports, nature, and cultural experiences). Research pinpoints visitors with these interests as most likely to be motivated to travel to California.*

## **Objectives**

- *Stimulate positive, top-of-mind awareness of California as a "premiere" travel and vacation destination among primary target audiences in targeted areas of the United States, Canada, Mexico and overseas.*
- *Encourage, persuade and motivate "target audiences" to select California as their travel and/or vacation destination.*
- *Develop domestic and international markets for California with an emphasis on markets which bring new tourists and, thus, new revenue into the state. The State of California serves a critical role in the industry's ability to tap these lucrative and growing markets, in that it often opens relations and lines of business with new markets due to its official diplomatic stature as an element of state government. This often provides benefits not available to private companies. This can give California travel and tourism businesses a competitive advantage over businesses in less-active or effective states or destinations.*

## **Strategies**

- *Conduct travel and tourism marketing that individual businesses and destinations within the state cannot do, as effectively, on their own. Generally, this involves promoting the concept of California as a travel destination.*
- *Utilize well-known California tourism icons, such as the Golden Gate Bridge, Disneyland, Yosemite National Parks Half Dome, The Hollywood Sign®<sup>1</sup> and others, to stimulate recognition and purchase of California vacations. Just because a destination is successful or highly recognized does not eliminate it from being promoted within the State's marketing program. In fact, just the opposite may be needed in order to effectively sell travel to California. Likewise, just because a destination is little-known or unrecognized does not eliminate it from being promoted within the State's marketing program, either. New destinations are just as useful in stimulating travel to California.*

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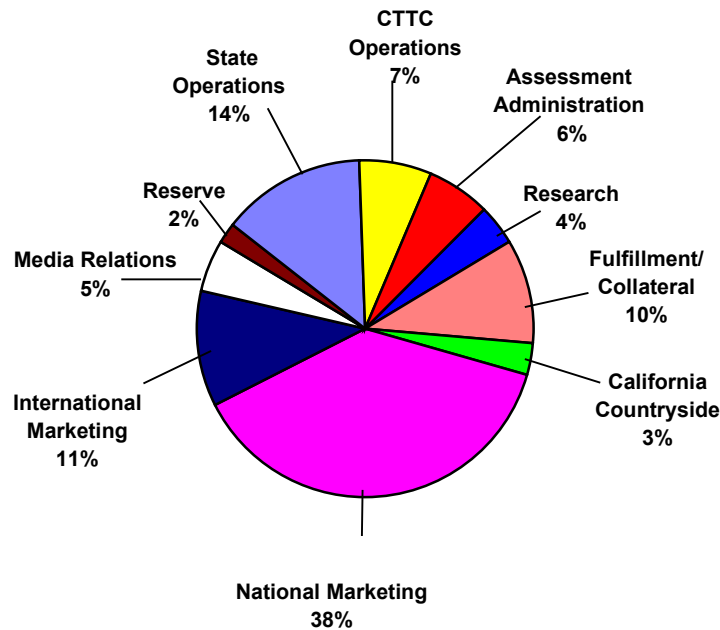
<sup>1</sup> "The Hollywood Sign" is a registered trademark of the Hollywood Chamber of Commerce and is used with permission whenever seen in California Tourism communications and marketing.

- Where possible, useful and or practical, promote travel to all regions, destinations and attractions within California. *California Tourism is open to criticism whenever it singles out a particular destination or business for attention, but to be effective, this is often necessary. It is impossible to identify every place or business when promoting California as a travel destination. The state is just too big. However, California Tourism attempts to be fair and balanced in its representation of all regions, destinations and attractions within California, but it is not always possible or productive to identify every city, region or attraction within the state. At times, it may be counterproductive to do so. The objective of this program is to effectively market travel "to and within California." To best accomplish this, decisions on what to identify or what works best for the given market is left to the professional judgment of California Tourism with direction, review and approval provided by the Commission.*
- When marketing within California, promote travel to California's lesser-known and under-utilized destinations.
- When marketing outside California, promote travel to all California destinations.
- Stimulate travel to lesser-known and under-utilized destinations and work with these destinations in the development of regional and related tourism marketing programs.
- Make best use of resources by applying cooperative partnership and funding techniques, where they serve California's best overall interests in attracting travel to and within California.

### **Primary Target Audiences**

- When marketing within California: Adult travel consumers, 25-plus, with annual household income exceeding \$35,000
- When marketing in North America, outside California: Adult travel consumers, 35-plus, with annual household income exceeding \$50,000
- When marketing outside North America: Adult travel consumers, 35-plus with annual household income exceeding \$75,000
- Tour operators, tour wholesalers, receptive operators, travel agents
- Consumer and trade travel media

## FY 2000/01 CALIFORNIA TOURISM MARKETING PLAN



### Program Budget (Proposed '00-01)

|                                     |                     |
|-------------------------------------|---------------------|
| Research .....                      | \$459,000           |
| Collateral and Fulfillment .....    | 1,301,000           |
| California Countryside .....        | 410,000             |
| National Marketing .....            | 4,952,000           |
| International Marketing .....       | 1,401,943           |
| Media Relations .....               | 652,000             |
| Reserve .....                       | 292,057             |
| California Tourism Operations ..... | 1,864,000           |
| CTTC Operations .....               | 891,000             |
| Assessment Administration .....     | 777,000             |
| <b>TOTAL .....</b>                  | <b>\$13,000,000</b> |

*NOTE: Because full descriptions of previous year activities are identified in the Annual Report, the FY 2000/01 Marketing Plan does not detail every activity. It describes only major new additions or departures*

## Research

This budget proposes growth in the areas of tourism demographics and statistics, program evaluation, industry support, and communications.

### Research Budget

|   |                  |
|---|------------------|
| Economic Impact Analysis .....  | <b>\$ 55,000</b> |
| Includes: "Travel Impacts by County" and "California Travel;<br>Its Economic Impact" .....  | \$ 55,000        |
| Program Evaluation/Return on Investment .....   | <b>\$160,000</b> |
| Includes: "Effectiveness of the California Tourism Fulfillment Program" and<br>"Advertising Effectiveness Study" .....  | \$ 95,000        |
| Evaluation of California Tourism advertising program - test creative, evaluate ads,<br>branding, ad images, copy, etc. ....                                       | \$ 65,000        |
| Domestic Market Research .....  | <b>\$ 90,000</b> |
| Includes: "Domestic Travel to California," Seasonal Travel Forecasts, Directabs<br>data CDs, Monthly Domestic Travel Reports, and Monthly Travel Indicators. .... | \$ 90,000        |
| International Market Research .....   | <b>\$ 55,000</b> |
| Includes: "Overseas Visitors to California," Specific Country Reports (10-12) ....  | \$ 55,000        |
| Market Analysis .....   | <b>\$ 40,000</b> |
| Includes strategic positioning, competitive image evaluation, trends, etc. ....   |                  |
| Meetings/Reports .....  | <b>\$ 3,000</b>  |
| Special Studies/Reserve .....   | <b>\$ 56,000</b> |
| Includes quick turnaround projects (flood impacts, etc.) .....  |                  |
| <b>RESEARCH TOTAL .....</b>   | <b>\$459,000</b> |

### Collateral and Fulfillment

This program remains relatively at the same budget level as 1999/2000. While there is a slight increase in domestic advertising, it is anticipated that publications' distribution will increase only slightly, due to exponential increases in Internet use for California Tourism information.

#### Collateral and Fulfillment Budget

|   |                     |
|---|---------------------|
| Fulfillment .....   | \$445,000           |
| Postage .....   | 600,000             |
| Student Packets .....   | 35,000              |
| Photography .....   | 10,000              |
| Calendar of Events .....  | 120,000             |
| Web Server/Site Maintenance .....                                 | 71,000              |
| <b>Internet Assessed Business List .....</b>                      | <b>20,000</b>       |
| <b>&lt; free internet listing of all assessed businesses &gt;</b> |                     |
| <b>TOTAL COLLATERAL AND FULFILLMENT .....</b>                     | <b>\$ 1,301,000</b> |



## California Countryside

### Timing

Year-round

- California Countryside Marketing
- Niche Marketing

### Strategies

- Provide financial incentives that bring together communities and businesses in rural regions to conduct regional destination marketing for the purpose of stimulating increased visitor spending.
- Assist the California ski industry in attracting midweek business from long-haul markets.

### California Countryside Marketing

California Tourism proposes regional marketing funding of \$25,000 per region. The funds will be allocated for purposes of regional marketing and will require each of the eight regions to participate in a California Tourism-organized international sales mission.

### Niche Marketing

The amount of \$10,000 is proposed to fund promotion of uniquely rural tourism opportunities, such as agri-tourism or eco-tourism, promotional materials, such as guides or on-line directories that will be statewide or multi-regional in scope.

### Budget

|  |           |
|--|-----------|
| California Countryside Marketing ..... | \$200,000 |
| Niche Marketing .....                  | 10,000    |
| California Snow .....                  | 200,000   |

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|                                |                  |
|--------------------------------|------------------|
| <b>TOTAL COUNTRYSIDE .....</b> | <b>\$410,000</b> |
|--------------------------------|------------------|

## National Marketing

### Target Audiences

Because advertising is intended to stimulate vacation travel, a high standard is applied to the advertising program's target audiences:

- Adults who took a trip of 100 miles or more away from home during the past 12 months
- Parents, 35 plus years of age (skewed female) with household incomes in excess of \$50,000 per year
- New visitors
- Repeat visitors

### Timing

Winter/Spring

- National Advertising
- American Express Destination Co-op
- California Conference on Tourism

#### Year-round

- Shop California
- California Fun Spots
- National Tour Association (NTA)
- Cultural Tourism
- Marketing Consultants
- California Welcome Centers
- Wild Vacations Value Book
- Launch “*Wild California*” IMAX film

#### Situational

- Marketing Alliances
- IMAX Theater co-op

#### Strategies

- Heighten positive top-of-mind awareness of California's diversity and increase the desire to visit California, throughout the U.S.
- Generate in excess of 5 million in co-operative funds from the private sector to join the State in communicating California's unique offerings and attractions.
- Educate and motivate the travel trade with special promotions, familiarization trips, and sales calls promoting California in targeted markets.
- Generate 400,000 telephone and reader service inquiries from prospective vacationers and, as a result, stimulate potential visitors to travel to California via widespread distribution of the consumer fulfillment guide.
- Support the domestic advertising effort with a strong, positive publicity campaign on California and its 12 regions.
- Create broad-based promotions which complement the goals and objectives of the overall domestic marketing campaign and motivate private sector participation.
- Stimulate economic activity in support of arts, heritage and cultural tourism particularly where the community or cultural facility is financially disadvantaged.
- Provide California hotels, motels and inns, of all sizes, with the promotional benefit of electronic brochures on the World Wide Web and a direct connection between California marketing efforts and measurement of sales, through the use of lodging reservation services.
- Improve visitor information available to travelers at strategic Welcome Center locations within the state
- Develop an alliance with the California Department of Education to highlight tourism careers amongst educators and students through the Carl D. Perkins Vocational and Technical Education (VTEA) State Plan

#### Advertising

The objective of the advertising campaign is to attract new and repeat non-resident leisure travelers to the state, while keeping California top-of-mind as the premiere vacation destination. The media goal is to attract visitors from high potential markets outside the state. The campaign uses a combination of spot television, national and regional magazines and internet banners.

Print advertising has been featured in the following publications: *Sunset, Better Homes and Gardens, Conde Nast, Bon Appetit, New York Times Magazine* and *Chicago Tribune*. Spot television in key “feeder” markets like Phoenix, Tuscon, Seattle, Portland, Denver, Salt Lake City, and Albuquerque. These markets have been chosen because they reach leisure travelers with the greatest propensity to visit and generate the highest number of visits. They are evaluated each year for effectiveness.

The campaign includes a call-to-action. The copy directs consumers to visit the California Web site, call the 800 number, or to consult their travel agent for a free visitor’s guide or reservations.

### **Shop California**

California Tourism will coordinate the development of a new cooperative marketing program designed to entice travelers to California’s retail centers and shopping districts.

Based on the success of the 1999 piece with American Express (AMEX), Shop California will include an expanded version of an AMEX piece and a Web site.

### **Cultural Tourism**

California Tourism is working with the California Arts Council, California Office of Historic Preservation and California Council for the Humanities, as well as with the convention and visitors bureaus of San Francisco, Los Angeles, and San Diego in promoting California’s cultural riches. This program creatively packages vacation concepts for travel agents, tour operators, the media and consumers and features arts tourism (performing arts, visual arts), heritage tourism (historic sites, structures, districts) and cultural tourism (ethnic communities, festivals). For 2000, cultural tourism itineraries will be expanded to include far reaching rural areas of California based on the award winning Culture’s Edge campaign of 1998.

### **Domestic and International American Express Co-op**

This program in year one serves to enhance California’s advertising program by adding a cooperatively supported travel planner that will be inserted into three major travel publications that California Tourism is currently buying as part of its overall advertising mix. In year two and three, this piece will also be distributed internationally to key California IMAX viewers upon seeing the film with the intent of “closing the sell.”

### **Sales/Educational Video**

California Tourism has not produced a new sales and educational video in three years. This allocation will go towards that effort. Currently, California Tourism is working with the advertising agency to develop a new 2-3 minute sales video from the A and B roll recently shot to develop the Spring of 2000 advertising campaign.

### **California Welcome Centers**

Stepped up efforts began last year with the launch of increased promotions for the California Welcome Center program. Greater visibility was given to the program in the 2000 Visitor’s Guide, on the California Tourism Web site and through a special email address

For FY 00/01, greater emphasis will include more information on the website including virtual tours of the Welcome Centers, link the Welcome Center staff via the Web or an on-line data base concierge network, promotional materials for the

California Department of Transportation, public relations, travel counselor program, welcome center development programs and quarterly meetings. The budget reflects increased programming and public relations efforts.

### **Incentive Show**

Incentive shows offers a venue for California Tourism to effectively promote the Golden State to large numbers of incentive planners that book substantial business. High volume business is conducted and an impressive leads list is developed for California DMO's.

### **California Restaurant Co-Op**

Program components include a "Taste of California" in conjunction with "*Wild California*" premier showings, offering California cuisine, restaurants and the state's agricultural produce, high-end consumer travel/lifestyle/culinary show representation in target markets and virtual tours of select restaurants and/or online interviews with featured chefs. All promotional efforts would be in conjunction with the California Restaurant Association's outreach marketing.

### **National Marketing Budget**

|  |                    |
|--|--------------------|
| Advertising .....  | \$3,250,000        |
| Domestic and International American Express Co-op .....      | 900,000            |
| California Fun Spots .....                                   | 180,000            |
| Shop California .....  | 100,000            |
| Cultural Tourism .....                                       | 75,000             |
| Incentive Planners Show/Chicago .....                        | 5,000              |
| Restaurant Co-op .....                                       | 50,000             |
| IMAX Theatre Co-op .....                                     | 150,000            |
| Welcome Centers .....  | 25,000             |
| Wild Vacations .....   | 30,000             |
| Marketing Consultant (Key Concepts Inc.) .....               | 85,000             |
| Marketing Alliances (TIA, PATA, NTA, JATA, ACTA, ASTA) ..... | 10,000             |
| Miscellaneous Items .....                                    | 7,000              |
| California Conference on Tourism .....                       | 5,000              |
| NTA .....  | 20,000             |
| Video Duplication .....                                      | 10,000             |
| Sales Video (Educational)/(New Intro Video) .....            | 50,000             |
| <b>TOTAL NATIONAL MARKETING .....</b>                        | <b>\$4,952,000</b> |

### **International Marketing**

Approximately 10 million international travelers visited California in 1998. Although its 4% of total annual visitation to the state seems small in comparison to California's domestic visitor base, the international sector is highly attractive for its many distinctive characteristics and warrants a dedicated, broad-based marketing approach.

Common characteristics that make the international traveler worth pursuing include a longer stay, high daily expenditures, off-season and mid-week travel. In addition, the plans of the foreign traveler are often less affected by short-range changes in weather or other mitigating factors than are those of the domestic visitor.

California is fortunate to maintain a strong image and allure worldwide, although intense competition for the international traveler provides a challenging playing field.

Depending on the market, certain states as well as other countries have continually expanded their efforts to attract market share. California's continued strategy in maintaining its visibility internationally is to maximize cost effectiveness by leveraging its dollars with key private sector partners, such as selected airlines. The cornerstone of this successful effort is the state's travel industry which cooperatively supports the wide range of strategic goals pursued by California Tourism. It is the strength of these partnerships that allows California to present itself as a unified entity in pursuit of the international traveler.

The Tourism Marketing Act provides California the opportunity to broaden and intensify its marketing activities, better enabling the state to compete for the international visitor.

### **Program Goals**

The overall goal of the international program is to provide the highest level of service to the travel industry and implement cost-effective marketing activities. Specific objectives in pursuing this goal are:

- Provide timely response to travel trade information and publication requests
- Increase awareness of services available to the travel trade
- Develop cost-effective methods for distribution of consumer information
- Further the knowledge of the travel trade regarding the attributes of California through the use of educational seminars
- Strengthen relationships with strategic airline partners
- Assist rural regions in promoting their areas to international markets
- Expand efforts to reach incentive market in selected regions
- Implement targeted consumer campaigns
- Improve services to the travel trade in selected markets through establishment of official representation offices
- Maintain strong and effective partnerships with California's tourism industry

### **Target Markets**

Increased direct consumer contact will be the focus within California's primary markets while the goals for secondary markets will be to improve seller knowledge and expand the product base. In potential or emerging markets, a strengthened effort to grow awareness of the state and stimulate product placement will be primary.

### **Primary Markets**

#### **Canada**

- Consumer/corporate marketing campaign "Wild Vacations in California"
- Carry-out sales calls in key western provincial cities
- Maintain provincial USA/Visit USA organization memberships
- Improve consumer access to planning materials
- Conduct incentive operator sales calls in Toronto
- Launch "*Wild California*" IMAX film

#### **Germany**

- Improve consumer fulfillment services
- Strengthen trade relations through efforts of representation office
- Maintain Visit USA membership
- Increase visibility among trade through attendance at exhibitions, support of selected tour operator road shows, and special events

#### Japan

- Implement highly visible consumer campaign in partnership with the California Department of Food and Agriculture
- Expand tour operator products through efforts of representation office
- Join Visit USA Committee
- Increase emphasis on attracting niche markets: incentive, senior, honeymoon and study tour business
- Conduct sales mission/educational program

#### Mexico

- Improve services to travel trade and media through use of local California Trade and Commerce Agency International Trade and Investment office
- Implement targeted consumer campaign in partnership with the California Department of Food and Agriculture
- Maintain Visit USA membership

#### United Kingdom

- Implement consumer campaign in partnership with the California Department of Food and Agriculture
- Improve travel trade relations and services
- Improve consumer information services
- Maintain Visit USA membership
- Attend key incentive and consumer exhibitions
- Launch "*Wild California*" IMAX film

### Secondary Markets

#### Argentina

- Strengthen relations with airlines to better infiltrate the market
- Build relations with trade and media
- Maintain Visit USA membership
- Broaden trade knowledge through educational seminars

#### Australia

- Improve services to trade and media through efforts of representation office
- Establish consumer fulfillment service
- Broaden trade knowledge through educational training seminars
- Implement consumer campaign with travel industry support
- Join Visit USA Committee
- Initiate consumer promotion

#### Belgium

- Maintain Visit USA membership

#### Brazil

- Improve services to trade and media through efforts of representation office
- Broaden trade knowledge through educational training seminars
- Implement consumer campaign
- Join Visit USA Committee

#### France

- Conduct analysis of market and devise strategic marketing plan
- Improve trade and media relations
- Maintain Visit USA membership

#### Hong Kong

- Build relations with trade and media
- Expand partnership with United Airlines
- Initiate consumer campaign with California Trade and Commerce Agency International Trade and Investment Office and the California Department of Food and Agriculture

#### Ireland

- Strengthen relations with Aer Lingus
- Maintain Visit USA membership
- Build relations with trade and media
- Attend key consumer exhibitions

#### Italy

- Conduct analysis of market and devise strategic marketing plan
- Improve trade and media relations
- Maintain Visit USA Committee

#### Korea

- Maintain Visit USA membership

#### The Netherlands

- Improve trade and media relations
- Maintain Visit USA membership

#### Switzerland

- Improve trade and media relations through expanded efforts of German representation office
- Maintain Visit USA membership

#### Scandinavia (Denmark, Finland, Norway, Sweden)

- Maintain Visit USA memberships
- Strengthen relations with trade and media
- Increase emphasis on incentive and golf markets

#### Taiwan

- Increase use of California Trade and Commerce Agency International Trade and Investment Office to expand services to trade and media

### **Travel Trade Development**

Tour Operators - Strong relationships with the tour operator are still fundamental to maintaining good visibility within a market as they generally carry the burden of promoting destinations to the consumer through newspaper/radio advertising, and increasingly, their own Web sites. One-to-one meetings at trade shows and sales calls will continue to play an important role in expanding the range of products featured by both tour operators with existing California products and those seeking to introduce the region in their catalogs. Exhibiting at trade shows is especially important in secondary and potential markets, as the extent of California product in these areas is typically limited to the gateway cities of Los Angeles and San Francisco.

Travel Agents - Great changes are occurring among the retailer/travel agent community. The growing use of and access to the Internet as well as the increased sophistication of the traveler further require that attention be paid to this industry sector. No longer is the agent, or for that matter the consumer, solely reliant on the tour operator product. In response to wholesalers' direct marketing efforts and

continuous restrictions on commissions, travel agents are seeking new and creative ways to sell. Creating their own Web sites, developing packages and aggressively seeking loyal clientele have made travel agents an increasingly important source of potential sales.

**Foreign Offices – Primary Markets** - A strategic tool in maintaining California's presence among the trade will be the contracted in-market representation services now secured in three primary and two secondary markets. The UK, Germany and Japan offices are well established and have proven to be very effective in increasing California product in tour operator catalogs. Additionally, these offices keep the trade abreast of new developments within the state and secure important business leads which may have otherwise gone to other destinations. The UK and Germany contracts will continue to be cooperatively funded with select convention and visitors bureaus, leveraging California Tourism's investment. Total funding for the Germany office has been increased by nearly 80% in an attempt to strengthen the state's position in this market and increase product availability in the Swiss and Austrian markets. The office in Japan will continue to be solely funded by the state.

**Mexico** - Although not an official representation office, a small amount of funds are targeted to support the tourism promotion efforts of the California Trade and Commerce Agency International Trade and Investment Office (ITI) in Mexico City. The ITI office has, for years, been carrying out minimum tourism services due to high demand and has proven very effective in expanding efforts with a minimal amount of funding. The region represents California's largest foreign market, generating some 3 million visitors to the state annually. Despite its turbulent economy in recent years, Mexico's sheer volume of visitors cannot be discounted, especially since common characteristics of these travelers are important to the state. Traveling with numerous family members, visiting theme parks and a high propensity to shop make the Mexican visitor a desirable customer. The market's per-person dollar expenditures also tend to be among the highest of all California's foreign visitor markets.

**Foreign Offices – Secondary Markets** - New for 2000, is the establishment of travel trade representation offices in Australia and Brazil, both cooperatively funded by select convention and visitors bureaus. Although Australia has long represented one of the state's largest secondary markets, little and infrequent promotional efforts have been conducted in the region. In a sense, the region has been taken for granted, as the west coast represents the first point of disembarkation for the U.S./European bound Australian. However, due to increasing competition for the Australian visitor, combined with the region's recent economic downturn and fare wars, California's dominance has waned. Australians are consistently being wooed to less expensive Asian destinations or Europe (due to competitive air fares) or even to eastern U.S. destinations. The latter largely results from the average Australian traveler's multiple trips to the U.S. and the belief that they have "been there, done that". The presence of a representative on a day-to-day basis will dramatically increase the level of communication and sales materials to the trade as well as improve the position of the state in the consumer market.

**Brazil**, traditionally a Florida market, has demonstrated a strong interest in moving west for leisure and business travel. Increased air service from the region to California has helped strengthen travelers' awareness of the state and stimulated demand for travel services to the region. The level of knowledge regarding the state's product is significantly lower than other markets where representation exists, demanding that the office's focus be on tour operator education and expansion of product featured in catalogs.

**France and Italy** - Although the two markets are not targeted to receive official representation offices, their importance to California's visitor base necessitates greater attention. Thus, funds are being dedicated to thoroughly evaluate the



potential of the markets and develop a strategic plan to improve the state's position within the regions.

Finally, keeping California at the top of tour operator and travel agent portfolios is vital. Many methods will be utilized by California Tourism to improve the state's position, including attending key travel trade exhibitions, conducting sales calls and educational seminars, facilitating product development requests, organizing familiarization tours and maintaining consistent detailed communication with the travel trade.

### **Visit USA Committees/Centers**

In numerous countries organizations called Visit USA Committees/Centers exist. Committees are typically composed of U.S. travel company representatives based in-market as well as local tour operators. The primary purpose of these groups is to develop ways to promote travel to the U.S. Most Committees allow membership only to those companies having an in-market office.

In most markets, Centers provide direct support to the trade and, sometimes, the consumer. These Centers are typically directed by a Committee as described above, but allow companies, with or without in-market representation, to join. Membership typically provides material distribution services. Other services include opportunities to host familiarization tours, participate in educational training seminars, share exhibition booth space and obtain market research/data. These Centers are extremely valuable when an in-market representative is not in place.

The Travel Industry Association of America (TIA) is currently providing some financial support for those Centers that meet its criteria. This effort by TIA is primarily a result of the demise of the United States Travel and Tourism Administration several years ago and failure to establish a national tourism office network worldwide.

California has made the commitment to maintain its membership in every Committee/Center (where available), including secondary or emerging markets. Membership where California maintains an in-market representative is seen as equally important as it allows the representative to be a voice for the State on the Committee.

### **Promotions**

Consumer - In order to reach the consumer directly, something very difficult to achieve internationally, due to the formidable expense of advertising, California Tourism seeks out promotional opportunities with key industry partners. A number of consumer campaigns have existed for many years, such as the *California Dream Days* (Canada) and the cooperative effort with the California Ski Industry and Virgin Holidays (UK). Others, like the *My California* campaign with United Airlines in Japan, have been implemented more recently. These campaigns are very important as they allow California Tourism to leverage its few dollars with those of major sponsors, typically airlines or tour operators, which have the significant budgets and volume advertising buys necessary for such efforts.

*Wild Vacations in California* – Canada - After a successful 14-year run, Tourism's lone consumer effort, *California Dream Days*, co-sponsored by Air Canada, is being replaced by *Wild Vacations in California*. This new, yearlong program will reach the consumer in a targeted, effective manner, i.e. through human resource departments in corporations throughout Canada. The new campaign is also co-sponsored by Air Canada with a distribution of 735,000.

*“Wild California” – Worldwide* - The development of the first-ever state focused IMAX film, *“Wild California”*, will position California to directly reach the consumer internationally on a wide scale. Expected distribution in at least 100 theaters worldwide and anticipated attendance of 13 million viewers within the first five years mean that numerous consumer-direct efforts will be made to enhance the film’s impact. These include a specially designed travel planner, tie-in merchandise, a special line of Samsonite luggage, a web site, and newspaper and electronic advertising. In addition, California Tourism and its destination film sponsors are cooperatively funding “tour packaging” incentives to accompany the film’s release in the UK, Germany, Japan and Australia. The incentives offer funding to selected tour operators who develop special packages featuring the destination film sponsors.

The campaign is being targeted to gain significant trade exposure as well, using more than 30 VIP travel industry premiere nights, which will include a “Taste of California” lifestyle exhibit. This element will be largely supported by the California Department of Food and Agriculture, selected agriculture commodity boards and the California Restaurant Association.

Other independent consumer campaigns for the UK, Japan, Brazil and Australia have been initiated by California Tourism with partners such as the California Department of Food and Agriculture, Trade and Commerce Agency’s International Trade and Investment offices, airlines and various private sector food/restaurant associates. Still other campaigns proposed by tour operators in key markets are also being targeted for support.

*Trade* - As mentioned above, promotional efforts to the trade and media are an important component in keeping California “front and center”. The trade sells many different destinations and often will emphasize those that make the strongest effort within their respective markets. Although California maintains a relatively high awareness level, motivating visitation can be difficult due to the competition which can often out-promote California because of funding. Trade promotions can be a cost-effective tool in maintaining a strong presence among those that heavily influence the travel decision.

*Airline Service Launches* - As airlines undoubtedly provide the greatest influence in stimulating travel to a destination, their efforts to expand service by adding frequency, increasing aircraft size, or establishing new service demands the support of the California travel industry. California Tourism often will support these efforts through various methods which can include small amounts of funding and rallying the travel industry to provide in-kind services for launch events, as was the case when United Airlines launched service from Melbourne, Australia to Los Angeles and Aer Lingus started its first west coast service from Dublin to Los Angeles. New service in 2000 is expected to be established by various airlines from South America, Asia and Europe.

*Taste of California* - Over the last two years, a strong effort to cross-promote the food and beverages of California has been made by California Tourism, primarily at many key travel trade exhibitions. These events can involve a display of various foods/beverages within the California stand, and/or involve the use of a California chef to develop a full menu, oversee preparation and presentation and act as master of ceremonies throughout the event. Both involve tremendous effort by California Tourism but the latter often requires significant assistance from other partners, such as the California Department of Food and Agriculture. Thus far, the concept has been successfully incorporated into Tourism’s trade show presence in key markets such as the UK, Germany Switzerland and Hong Kong. Markets targeted for such events in 2000-2001 include the UK, Germany, Japan, Scandinavia, Mexico and South America.

United Airlines /Star Alliance Regional Meetings: As a result of the successful and growing relationship California Tourism maintains with United Airlines, California is often a preferred destination in which to hold the airline's regional or global alliance meetings. These working groups range in size from small group or hundreds of participants representing UA's regional offices from specific areas (i.e. Pacific) or its Star Alliance affiliates from around the world. This business is a direct result of the productive working relationship between the airline and California.

United Airlines/Taste of America - As both a key promotional partner with the airline and its primary west coast gateway, California participates in United's newly launched effort to promote its key U.S. cities. Partnering with Miami, Chicago/Illinois, and the Capitol Region (Washington, D.C., Maryland and Virginia) Divisions of Tourism, the group is developing packaging that will be featured by selected tour operators and will include untraditional city pair travel. Within the program, the airline will provide special pricing for packages featuring flexible city pair travel such as Miami-San Francisco, Chicago-San Diego, Washington, D.C. -Sacramento, etc. The packaging concept will be incorporated into secondary markets such as France and Hong Kong and will not directly compete with individual marketing efforts in key regions, such as the UK and Germany.

### **Miscellaneous**

Many other elements play significantly into the formula of promoting the state internationally, including extensive educational training seminars/tour operator road shows, familiarization tours, travel trade newsletter, trade contact piece, translation services, consumer and trade fulfillment services and partner relationships. Each of these items, although often smaller and less visible than the more large-scale efforts indicated previously, provide the missing pieces which complete the puzzle.

Travel Industry Association Workshops - Coordinated by TIA in selected markets, these programs provide California the opportunity to deliver a specific message to a captive group of influential travel trade representatives which it would not normally be able to do independently. Due to TIA's national influence, the organization has arranged to develop such programs at selected travel trade exhibitions in cooperation with the show organizers and the local Visit USA Committees. Two scheduled programs to feature the TIA Visit USA Seminar include Expo Vacaciones in Mexico and International Travel Asia in Hong Kong. Seminars for other markets are being developed.

Tour Operator Roadshows - California Tourism selectively participates in key tour operator "road shows" which involve a roving exhibition featuring products within their USA catalog. Although this is not done on a wide-scale due to limited funds, certain opportunities offered by dominant operators such as Duestches Reiseburo in Germany necessitate such support.

Familiarization Tours - Still seen as one of the most effective methods to sell the state and specific destinations is the coordination or hosting of "fams". Organized/co-sponsored by airlines or tour operators, California Tourism typically assists in finding appropriate destination sponsors to facilitate groups. Groups typically consist of top-producing travel agents or tour operators, airline and/or tour operator representatives, and are often escorted by a California Tourism delegate.

*California Highlights* - Prior to 1999, consistent yearlong communication with the travel industry did not occur. *Highlights* was developed to fill this void and provide the travel trade with valuable information related to the services provided by California Tourism and its representation offices as well as tips on how to sell the state, attendance at upcoming exhibitions, and interesting trivia. Two key features of the newsletter are: 1) the "Spotlight Destinations", featuring a lesser known northern

and southern city in each of the semi annual issues; and 2) the "What's New" segment, providing briefs on two new tourism developments within each of the state's 12 regions. The newsletter reaches approximately 3,000 international and domestic travel trade each issue.

**Trade Contact Piece** - In order to provide maximum resource information to the travel trade and the consumer at exhibitions, a piece highlighting services available from California Tourism and its representation offices also includes brochure order form and contact details (including web sites) for the eight rural tourism regions, various associations, national and state parks, and a majority of convention and visitor bureaus.

**Visitor Information Program** - Funded by the travel industry and cooperatively executed by Ameurop and California Tourism, the VIP provides a range of services to both the consumer and the travel industry. Ameurop, a global communications company, maintains a 24/7 multi-lingual telephone operator service accessible by visitors to California via a toll-free information line. A Web site profiling supporting travel industry partners is linked to the California Tourism home page as well as directly linked to each partner's web site.

**International Fulfillment Services** - In order to maximize distribution of the European language versions of California Tourism's foreign language brochure (available in Asian languages as well), a fulfillment service is maintained in London. As the primary purpose of the piece is to influence the travel decision, distribution in-market is key. As the piece was printed in London, the company provides warehousing and fulfillment throughout Europe when needed. The Asian languages are housed in California and distributed accordingly. Similar fulfillment services in Asia have not yet been secured due to extreme cost.

As noted in the market breakout, an initiative to improve California's position within the France, Italy, Scandinavian markets is being considered. A position analysis for the state would be conducted in France and Italy in order to develop a strategic plan for the two countries. A project-by-project effort would be undertaken in Scandinavia.

## International Marketing Budget

|   |                    |
|---|--------------------|
| Trade Shows .....                           | \$200,000          |
| World Travel Market                         |                    |
|   | \$ 75,000          |
| California Travel Market                    | \$ 50,000          |
| Various                                     | \$ 75,000          |
| Foreign Representation/Offices .....        | \$407,943          |
| Australia                                   | \$ 50,000          |
| Brazil                                      | \$ 50,000          |
| Germany                                     | \$ 40,000          |
| Japan                                       | \$150,000          |
| Mexico                                      | \$ 10,000          |
| UK  | \$107,943          |
| Visit USA Centers .....                     | \$ 12,000          |
| Promotions .....                            | \$550,000          |
| Consumer                                    | \$(410,000)        |
| California Vacations                        | \$ 90,000          |
| <i>"Wild California"</i>                    | \$ 150,000         |
| General                                     | \$ 20,000          |
| Tour Operator Cooperative                   | \$ 150,000         |
| Trade                                       | \$(140,000)        |
| General                                     | \$ 50,000          |
| United Airlines                             | \$ 75,000          |
| Taste of California                         | \$ 15,000          |
| Miscellaneous                               |                    |
| International Consumer Fulfillment.....     | \$ 150,000         |
| Familiarization Tours .....                 | \$ 15,000          |
| International Travel Trade Newsletter ..... | \$ 42,000          |
| My California.....                          | \$ 25,000          |
| <b>TOTAL INTERNATIONAL MARKETING.....</b>   | <b>\$1,401,943</b> |

## Media Relations

International media outreach will be expanded to include contracting for public relations representation in Germany, Japan and the United Kingdom, allowing for a more efficient year-round publicity effort. In addition, editorial visits will be conducted in key Canadian and South American markets. Domestic and international press trips will be increased, becoming an integral component of the media outreach efforts. A newly established media relations position will continue on a contract basis, providing much needed support for increased media outreach.

The popular monthly themed features that were introduced in January 2000 will continue, providing another tool for stimulating positive coverage for California Tourism. Themed releases scheduled for the first half of the fiscal year include: California Transportation History; Architecture; Watchable Wildlife; Accessible Travel; Made In California; and Winter Recreation.

Once again, a media relations crisis communications reserve will be retained specifically to respond to disasters.

## Media Relations Budget

Media Outreach (Domestic).....\$ 75,000

- New York (media blitz), Los Angeles, San Francisco (editorial visits)

Media Outreach (International)..... \$321,000

- Germany, Japan, United Kingdom (public relations offices), Canada and South America (editorial visits)

### Publicity

Press and Feature Releases .....\$ 50,000

Press Kits .....\$ 9,000

What's New In CA, including foreign language versions (quarterly)....\$ 30,000

Press Trips .....\$ 10,000

B-Roll (new footage & duplication).....\$ 10,000

### Evaluation

Newsclipping Service & Analysis .....\$ 30,000

### Newsletter

Insights (quarterly) .....\$ 52,000

Media Relations Support .....\$ 40,000

### Technical Assistance

Crisis Communications .....\$ 25,000

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**TOTAL MEDIA RELATIONS.....\$ 652,000**